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In the Supreme Court of the United States.

OCTOBER TERM, 1975.

No. 75-1380.

SARAH COVENTRY, INC.,
PETITIONER,

v.

T. SARDELLI & SONS, INC.,
RESPONDENT.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT.

Brief for Respondent in Opposition.

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Opinion Below.

The opinion delivered in the court below has been officially reported at 526 F. 2d 20 (1st Cir. 1975).

Jurisdiction.

Respondent does not question the jurisdiction as set forth in the petition.

Questions Presented.

The petitioner in his argument joins two questions together so that, necessarily separated, they are as follows:

1. Did the Court of Appeals for the First Circuit err by applying a wrong standard of review in a trademark case?
2. May a party to a trademark opposition eliminate one route of appeal which is provided in the statutes?

Statement of the Case.

Petitioner's statement of the case is substantially correct, except that it has been presented in disregard of the applicable principles of review, in that the evidence is to be viewed and construed favorably to the prevailing party below, and all reasonable inferences of which the evidence is fairly susceptible should be drawn in support of and not against the judgment rendered below.

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Argument.

Point I.

The Court of Appeals adopted the proper standard of review.

This Court in *Morgan* v. *Daniels*, 153 U.S. 120, 125 (1894), stated that, in patent and trademark cases under Rev. Stat. § 4915, a finding of fact by the Patent Office "as to priority of invention [or confusing similarity of marks] . . . must be accepted as controlling . . ., unless the contrary is established by [evidence] which in character and amount carries thorough conviction."

In addition, this Court has stated in *Warner & Co.* v. *Lilly & Co.*, 265 U.S. 526, 528-529 (1924):

> "The issue of unfair competition . . . is primarily one of fact. . . ."

Petitioner's position is that "likelihood of confusion" is a question of law, that there is a conflict among the Circuits on this point, and that this Court should resolve them.

The Trademark Trial and Appeal Board of the Patent and Trademark Office found as a fact that there is no "likelihood of confusion" between SARAH and SARDE. The District Court and the Court of Appeals concurred.

One question in virtually all trademark infringement civil actions is whether or not there is likelihood of confusion. That is a question of fact. When that question of fact is determined, the court may determine whether the conclusion of law, *i.e.*, infringement, should be made. Before the Trademark Trial and Appeal Board the conclusion of law is then whether the trademark should be or remain registered.

The Circuits have decided this question as follows.

From *Magazine Publishers* v. *Ziff-Davis Pub. Co.*, 147 F. 2d 182, 185 (2d Cir. 1945), the following is appropriate:

> "Whether the publisher of a magazine is guilty of unfair competition when he adopts a portion of the title of another magazine is generally a mixed question of law and fact. Fawcett Publications v. Popular Mechanics Co., 3 Cir., 80 F. 2d 194. Each individual case must be decided on its own facts, . . . as is true of infringement cases. . . . And the rule on appeal is the same as in other types of cases tried by the judge without a jury, so that in the case at bar the trial court's finding of fact that the defendant did not compete unfairly with the plaintiff, being supported by substantial evidence and not being clearly erroneous, will not be disturbed on this appeal. James Heddon's Sons v. Millsite Steel & Wire Works, 6 Cir., 128 F. 2d 6; Rule 52(a), Federal Rules of Civil Procedure, 28 U.S.C.A. following section 723c."

In the Third Circuit the court has stated:

> "The second question is whether the defendants have infringed the plaintiff's trade-mark by their use of the term 'Johnson's Cotton Tips.' Here it is worth pointing out that 'The issue of confusing similarity is an issue of fact as to the probable or actual reactions of purchasers.' This fact has been determined by the trial judge, and as a determination of a question of fact it is entitled to great respect under F.R.C.P. Rule 52(a), 28 U.S.C. We think the evidence is not only sufficient to support the conclusion but that it is strong enough so that it does not need the protection of the 'clearly erroneous' clause of the

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rule mentioned." *Q-Tips, Inc.* v. *Johnson & Johnson*, 206 F. 2d 144, 147 (1953).

The Fifth Circuit stated:

"Likelihood of confusion . . . is a question of fact." *Holiday Inns, Inc.* v. *Holiday Out In America*, 481 F. 2d 445, 447 (1973).

The Seventh Circuit is also in accord:

"We have held the likelihood of confusion is a question of fact. G.D. Searle & Co. v. Chas. Pfizer & Co., Inc., 7 Cir., 231 F. 2d 316, 318; Albert Dickinson Co. v. Mellos Peanut Co. of Illinois, 7 Cir., 179 F. 2d 265, 269-270." *Watkins Products, Inc.* v. *Sunway Fruit Products, Inc.*, 311 F. 2d 496, 499 (1962).

In *Skinner Mfg. Co.* v. *Kellogg Sales Co.*, 143 F. 2d 895 (1944), the Eighth Circuit Court of Appeals said, at p. 899:

"Under the evidence, the issue was was one of fact to be tried and determined by the trial court, and its determination is binding upon this Court. Cleo Syrup Corporation v. Coca-Cola Co., 8 Cir., 139 F. 2d 416, 417, 418 and cases cited."

And the Ninth Circuit is in accord:

"Ordinarily, [in an unfair competition action,] a determination of 'likelihood of confusion'] is one of fact,

> [and w]here the question is one upon which reasonable minds might differ[, an appellate court cannot] interpose [its] judgment for that of the trial court." *Audio Fidelity, Inc.* v. *High Fidelity Recordings, Inc.*, 283 F. 2d 551, 557-558 (1960).

The only cases cited by petitioner are those where there is no proof (or nominal proof) other than the fact that the complainant's mark and the accused mark exist. That is, there is no proof of likelihood of confusion other than the marks themselves. In such cases, some Courts of Appeal have indicated that they can pass on "likelihood of confusion" as well as the trial court, because all the evidence, *i.e.*, the marks themselves, is before the court. Whether right or wrong, any statements by Courts of Appeal in such circumstances have no bearing upon the fact situation here. Here, petitioner presented evidence, hopefully looking to likelihood of confusion, first in the Trademark Trial and Appeal Board and, thereafter, presented further evidence in the District Court. Two triers of fact weighed the evidence. They held against petitioner. None of the cases cited by petitioner are applicable, or even pertinent.

Point II.

The statute (Lanham Act, § 21, 15 U.S.C. 1071) sets forth two methods of appeal for the appellant from the Patent and Trademark Office. He may appeal either to the CCPA or to a District Court. If an appellant chooses the CCPA, the appellee may then choose to go to a District Court.

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Here petitioner chose to appeal to the CCPA. Thereafter, respondent chose to go to a District Court. Respondent proceeded pursuant to the statute.

Respondent having followed the specific language of the statute, petitioner has no cause for complaint to this Court.

There is no showing by the petitioner that the CCPA (now a statutory court) has a different "standard of review," stronger or weaker, or that it proceeds differently from other Courts of Appeal. Rule 52, F.R. Civ. P., applies to it. Moreover, had petitioner been in the CCPA, it would not have had an opportunity to present further evidence on likelihood of confusion. Here it did have that opportunity in the District Court, per statute. Here, petitioner has had "two bites at the judicial cherry." *Parker* v. *United States*, 114 F. 2d 330, 334 (4th Cir. 1940).

Conclusion.

It is respectfully submitted that the petitioner has wholly failed to sustain its burden of establishing under Rule 19 that there are special and important reasons why the writ should be granted. The decision below did not involve an important question of Federal law which has not been settled by this Court; nor has the Court of Appeals decided a Federal question to conflict in any way with applicable decisions of this Court or another Court of Appeals on the same matter. The Court of Appeals correctly applied the proper standard of review and held that the findings of fact and conclusions of law of the trial court were not clearly erroneous.

Wherefore, respondent respectfully requests that the petition for writ of certiorari be denied.

Respectfully submitted,

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